

Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the Matter of the Application of San Diego Gas & Electric Company (U 902 G) and Southern California Gas Company (U 904 G) for Authority to Integrate Their Gas Transmission Rates, Establish Firm Access Rights, and Provide Off-System Gas Transportation Services.

Application 04-12-004
(Filed December 2, 2004)

OPINION EXTENDING THE STATUTORY DEADLINE**Summary**

Today's decision extends by 60 days, the original 18-month deadline set forth in Public Utilities Code Section 1701.5 for resolving this proceeding. The extension is needed because of the bifurcation of this proceeding into two phases, and the slight delay caused by the scheduling of the Phase II issues.

Procedural Background

San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SoCalGas) filed their application on December 2, 2004. Following the April 28, 2005 prehearing conference, a scoping memo and ruling (scoping memo) was issued on May 24, 2005.

The scoping memo divided this proceeding into two phases. The scoping memo stated in part:

"From an administrative point of view, this [bifurcation] will allow parties to focus their resources on whether the two systems should be integrated on an economic basis, without having to prepare testimony involving scenarios where the

system integration proposal is adopted or is not adopted. Although this phasing of the issues may result in a slight delay in ultimately resolving the entire application, the phasing of this proceeding should result in more efficient use of everyone's time and resources. It will also allow the Commission to expeditiously consider the firm access rights proposal in the context of whether the gas transmission systems of SDG&E and SoCalGas will be integrated on an economic basis or not." (Scoping Memo, p. 7.)

The Phase I issues were to address whether the gas transmission systems of SDG&E and SoCalGas should be integrated on an economic basis. Three days of evidentiary hearings on the Phase I issues were held in September 2005. A decision addressing Phase I was adopted on April 13, 2006 in Decision (D.) 06-04-033.

The scoping memo determined that the Phase II issues would address the firm access rights proposal, off-system delivery issues, and the peaking rate issue. The scoping memo stated that a prehearing conference would be scheduled after the mailing of the Phase I proposed decision. The Phase I proposed decision was mailed for comment on March 14, 2006. On March 16, 2006, a ruling was issued noticing an April 7, 2006 prehearing conference to discuss whether the Phase II issues should be broadened or narrowed, and to discuss the schedule for the Phase II issues. Following the prehearing conference, an April 17, 2006 ruling was issued which noticed the Phase II evidentiary hearings for two weeks beginning on August 7, 2006. A telephone prehearing conference was held on August 1, 2006 to discuss the scheduling of witnesses, at which time two additional days were added to the hearing schedule. In addition, the Administrative Law Judge (ALJ) mentioned during the telephone prehearing conference that an extension decision might be needed

due to the Phase II schedule. Twelve days of evidentiary hearings were held from August 7, 2006 to August 22, 2006. The Phase II issues were submitted on September 27, 2006 following the filing of reply briefs. A decision on the Phase II issues is expected shortly.

At page 8 of the scoping memo, we stated that “It is expected that this proceeding will be completed within the 18-month period as shown in the schedule [in the scoping memo].” The schedule in the scoping memo anticipated that the evidentiary hearings on the Phase II issues would be held in the May to June 2006 timeframe, and that a proposed decision on Phase II would issue sometime in September 2006.

Discussion

Public Utilities Code Section 1701.5 provides that in a ratesetting proceeding, the Commission “shall resolve the issues raised in the scoping memo within 18 months of the date the scoping memo is issued, unless the commission makes a written determination that the deadline cannot be met, including findings as to the reason, and issues an order extending the deadline.” Since the scoping memo was issued on May 24, 2005, the 18-month deadline expires on November 23, 2006.

This proceeding is unlikely to be completed within the 18-month deadline because the proposed decision on the Phase II issues is still being prepared. The delay in the processing of this proceeding has resulted because of the bifurcation of this proceeding into two phases, and the slight delay in the Phase II schedule. The scoping memo anticipated that the bifurcation of the proceeding could result in a slight delay in resolving the entire proceeding.

In accordance with Public Utilities Code Section 1701.5, the 18-month deadline, which will expire on November 23, 2006, should be extended by an

additional 60 days. This additional time will allow sufficient time for the Commission to resolve the issues in this proceeding.

Waiver of Comments

Under Rule 14.6(c)(10) of the Commission's Rules of Practice and Procedure, the Commission may waive the otherwise-applicable 30-day period for public review and comment on a decision that extends the 18-month deadline set forth in Pub. Util. Code § 1701.5.

Assignment of Proceeding

Geoffrey F. Brown is the Assigned Commissioner and John S. Wong is the assigned ALJ.

Findings of Fact

1. This proceeding is unlikely to be completed within the 18-month deadline.
2. The delay in the processing of this proceeding has resulted because of the bifurcation of this proceeding into two phases, and the slight delay in the Phase II schedule.
3. The scoping memo anticipated that the bifurcation of this proceeding into two phases could result in a slight delay.
4. The additional time will allow the Commission time to resolve the issues in this proceeding.

Conclusions of Law

1. Public Utilities Code Section 1701.5 provides that the Commission shall resolve the issues raised in the scoping memo within 18 months of the date the scoping memo is issued, unless the Commission makes a written determination that the deadline cannot be met, including findings as to the reason, and issues an order extending the deadline.
2. The 18-month deadline should be extended by an additional 60 days.
3. The comment period is waived.

O R D E R

IT IS ORDERED that the 18-month statutory deadline in this proceeding, which expires on November 23, 2006, be extended by 60 days to January 22, 2007.

This order is effective today.

Dated _____, at Fresno, California.